

treaty, countries that possess ballistic missiles. Look at them. Afghanistan, Algeria, Argentina, Belarus, China, Croatia, the Czech Republic, Egypt, France, India, Hungary, Iran, Iraq, this list goes on and on. When that treaty, the Antiballistic Missile Treaty was signed, there were only two nations in the world capable of delivering these missiles. It was the United States and Russia. Whether or not we agreed with the merits of the treaty at that point in time, surely today we would agree that the circumstances have changed dramatically, that it is in both Russia's best interests and the best interests of the United States of America that we provide the people of this Nation not further offensive missile capability but defensive missile capability.

Every peace advocate in this country ought to be a stronger advocate of a missile defense system. Why? Because it could possibly avoid a war.

Let us say that some country launches accidentally. Let me tell my colleagues, the consequences of being able to stop a missile over the ocean or stop it before it gets very far off its launching pad, dealing with those consequences are much easier to settle than dealing with the consequences of a missile landing on a major city in the United States of America.

Mr. Speaker, the time has come. The time is here today to follow the lead of our President, and that is to deploy a missile defense system for the defense of this country. Every one of my colleagues, in my opinion, has an inherent, an inherent obligation, an inherent responsibility to provide the constituents, the citizens, and the people of this Nation security on the home front by putting in place and deploying a missile defense system.

At some point in the future, at some point in the future, a missile will be launched against the United States of America. That is my opinion. And if we today, while we have the opportunity, fail to provide a defense against that missile, how could we ever, ever face ourselves again in a mirror and say that we carried out our responsibilities for the protection of this Nation?

Mr. Speaker, I will continue to speak strongly, because I feel deeply committed about our obligation, I say to my colleagues, to provide our citizens, to provide the people of this Nation a security blanket, and that security blanket in a missile defensive system, is one that is technically available, it is economically available, and it is an absolute must.

Again, I repeat, it is an inherent obligation of the leaders of this Nation, and we are leaders in this Chamber, to follow our President's lead and to put that security blanket of a national missile defense system in place and to do it without haste or waste.

□ 2100

We can do it. I expect that we will have to do it much sooner than later.

#### THE SUPERIORITY OF THE DEMOCRAT STIMULUS PACKAGE

The SPEAKER pro tempore (Mr. JEFF MILLER of Florida). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, during the Thanksgiving recess or break, I had a longer period of time to talk to my constituents about many issues that they are concerned about, and I was particularly concerned about the state of the economy, and about so many people now that continue to lose jobs who have been displaced because of the events on September 11, in particular.

I have to say, Mr. Speaker, that my district, being so close to New York and to the World Trade Center, we did have many people, maybe almost 200 people in the two counties that I represent, who died in the World Trade Center tragedy. So people are still concerned about terrorism. A lot of attention is focused on the war on terrorism overseas, certainly, as well as security issues here at home.

But I also noticed that although people still focus primarily on those security issues, that many of them are suffering. The economy is not what it used to be. Of course, this past Monday we had the official economic experts who proclaimed that we do in fact officially have a recession; that the recession in fact began last March and was accelerated by the tragic events on September 11.

So I come here tonight urging my colleagues to pass an economic stimulus package. We only have 3 or 4 weeks now before Christmas, and probably only 3 weeks, maybe 4 weeks, that Congress will continue to be in session before the end of the year. I think it is incumbent upon us during this period to pay attention to the economic needs and to the suffering that more and more Americans face, and try to do something about it by passing an economic stimulus bill.

Mr. Speaker, we know that when talk first began on how Congress should address the economic aftershocks of September 11, Members pledged to work together across party lines on a bipartisan basis to create a stimulus package. However, in just a few weeks after the attacks on the World Trade Center and the Pentagon, the House Republican leadership broke off talks with Democrats and essentially crafted a stimulus package of their own, which I maintain primarily benefits corporate interests and wealthy Americans and not the displaced workers and not the people who are losing their jobs, not my constituents that I am talking to when I go home.

On October 24, the House actually passed, strictly on party lines, 216 to 214, the Republican stimulus package. I wanted to talk a little bit this evening about why I think this Republican bill is not the way to go, why it cannot be

the basis for any compromise that would ultimately pass the House and Senate and be signed by the President.

I also had the opportunity a week ago during the Thanksgiving break to do a press conference with one of my colleagues, the gentleman from New Jersey (Mr. HOLT), and also with the president of our New Jersey State AFL-CIO, Charlie Wowkanec, representing some displaced workers, and in particular one displaced worker who was a limousine driver, who basically expressed the concern that he has for himself and his family over the fact that the economy has moved into a recession, and what it means to him in a real sense.

I mention that because when I say that the Republican bill does not address the crisis that we face, the economic recession, it is not out of some ideology, that I am opposed to the Republican bill, but just because I do not think it works. I do not think it will accomplish the goal of ending the recession, getting the economy back on track. Something like the Democratic alternative is more likely to accomplish that goal and also more likely to be the basis for some kind of bipartisan package that we can all support and get signed into law by the President.

The Republican bill, very much like the Bush tax plan that was passed earlier in the year, was loaded with tax breaks to the rich and big business. The legislation made no mention of unemployment benefits for displaced workers and does not adequately address the issues of health benefits for those workers, as well. It just basically does not provide for stimulus and any kind of relief or any kind of benefits for displaced workers.

The reason this Republican bill will not stimulate consumer demand is because it does not focus on low- and middle-income families who are most likely to spend money. It does little to protect those who lost their jobs and may lose their health insurance benefits.

Where it does address the issue of possibly dealing with unemployment compensation or health benefits or other benefits for displaced workers, it basically gives monies to the States and asks them to try to allocate the funds in some way that would help displaced workers. But Mr. Speaker, that could take months; and it could likely be very uneven, and it really was not very much money compared to all the money that was going to the tax breaks, primarily for corporate interests and wealthy individuals.

The Democratic proposal, the Democratic alternative, the Democratic economic stimulus package, included unemployment benefits, health insurance premiums, and rebate checks for low- and moderate-income workers who did not qualify for rebate checks issued under the original Bush tax bill that we passed earlier this year.

It also has additional spending on programs for domestic security that

probably would result in hiring people, many of whom have lost their jobs, and therefore spur the economy by getting those people back to work.

I just want to give, if I could, Mr. Speaker, a brief synopsis of some of the finer points of the Democratic proposal and then contrast it with the Republican bill and explain again why I think one is much more likely to accomplish the goal of getting us out of the recession and actually the goal of trying to get something passed.

With regard to income support under the Democratic bill, individuals who exhaust their 26-week eligibility for State unemployment would be eligible for an additional 52 weeks of cash payment funded entirely by the Federal Government. Individuals who do not meet their State's requirements for unemployment insurance, in other words part-time workers, would receive 26 weeks of federally financed unemployment insurance. So it goes directly to the problem of people who are not eligible or have limited options with regard to unemployment insurance.

With regard to health care benefits, under the Democratic proposal, the Federal Government would fully reimburse eligible individuals for their COBRA premiums. Individuals who do not qualify for COBRA and are otherwise uninsured would be eligible for Medicaid, with the Federal Government covering 100 percent of the premiums. These health benefits would last for a maximum of 18 months.

Under the Democratic proposal, we try to get a rebate check to low- and moderate-income workers who did not qualify for the rebate checks issued earlier this year under the President's tax plan. They would receive a one-time payment of up to \$300 for a single person and \$600 for married couples.

People in this income category who are suffering would spend this money immediately, and it would certainly help with any kind of economic recovery.

The other thing the Democratic package includes, as I mentioned, is domestic security upgrades. Infrastructure is addressed in order to try to deal with potential terrorist problems.

The package on the Democratic side includes up to \$9 billion in spending programs to improve our Nation's infrastructure to protect against terrorism. Included would be funding for bioterrorism prevention and food safety programs, local police and fire departments, border security, airport security, and highway, bridge, and tunnel improvements.

These upgrades would require more workers. Obviously, these are all the types of things, this is the type of spending, that would result in more jobs and take people off the rolls of the unemployed.

Let me just contrast, if I can for a minute, for a couple of minutes, the Republican alternative. The Republicans, of course, call it an economic stimulus package, but it really is just

an extension of the Republican tax cut bill that the President sought and successfully got passed in Congress earlier this year.

The Republican stimulus package was basically crafted to respond to the business lobbyists, whose favorite tax breaks were left out of the \$1.35 trillion tax bill that the President proposed earlier this year. If we look at the bill for the year 2002, next year, nearly 90 percent of the bill is tax cuts and only 11 percent would provide benefits to unemployed workers and their families. I am not going to mention all of them, and I see I am joined by one of my colleagues here.

Just to give a little example of where 89 percent of this money goes, it is pretty much to corporate interests. The Republican bill has a repeal of the corporate alternative minimum tax. It not only repeals it, but it allows companies to receive refunds based on past AMT payments dating back to 1986.

The AMT raised only \$3.3 billion in 1998, but this Republican provision costs \$25.4 billion in 2002. It is an incredible giveaway, essentially, to large corporations.

A multinational government-financed tax break. The Republican bill allows multinational corporations to defer U.S. income taxes on profits from certain offshore activities, so long as they are kept outside of the country. How is that possibly going to help with any economic recovery here at home?

The capital gains tax rate. The tax rate on income from capital gains would be reduced from 20 percent to 18 percent for taxpayers in higher brackets, and from 10 percent to 8 percent for those in the 10 to 15 percent brackets. Over 90 percent of this tax cut would benefit the top 10 percent of taxpayers who have incomes over \$100,000.

Then we have acceleration of the reduction of the 28 percent rate to 25 percent. It has already been cut. But this change does not benefit the 75 percent of taxpayers who are in the 15 percent bracket or lower.

I could go on and on talking about all the tax breaks that are in this Republican bill. The bottom line is that universally, almost, we have seen independent analysts, editorials in the Nation's leading newspapers, pointing out and essentially rejecting this GOP economic stimulus bill because it will not achieve the goal of stimulating the economy and trying to get us out of this recession that has now been declared.

Mr. Speaker, I yield to my colleague, the gentleman from North Carolina (Mr. ETHERIDGE), if he would like to speak.

Mr. ETHERIDGE. Mr. Speaker, I thank my colleague, the gentleman from New Jersey, for yielding to me. I also appreciate his leadership on this very important issue, because it really is important.

Mr. Speaker, we talk about a lot of things here in this people's House, but today the American people face a war

on terrorism, not only here at home and around the world, but we also face an economic recession here at home, as my good friend, the gentleman from New Jersey (Mr. PALLONE), has so eloquently talked about. It has now been verified by the economists who do these things.

I think the American people have come together like I have never seen them in my lifetime since September 11. I know in my district, I have always thought it to be a fairly patriotic place, and I think they are; but I have seen more American flags flying as I travel across North Carolina than ever in history, certainly, over the past 10 weeks.

In Congress, we need to do our part to help people address the economic problems that they now face. I think that is what we are talking about tonight. We face probably one of the greatest challenges when we talk about the issue of terrorism as a result of September 11 that I think we have faced probably since World War II, and we saw evil in this country unlike we have ever seen it before. The economy was already slowing down, as many know. That did not help it at all. That attack, I think, really pushed us on the brink of and into a recession.

Many sectors of our economy have been affected adversely by that attack. In October, as an example, the unemployment rate jumped a half a percentage point, to 5.4 percent. That is a 5-year high. I have not seen the latest numbers, but that was the biggest monthly increase in 20 years. So this year we have seen the economy go from having a surplus to something we are not sure what we are going to have as it relates to our budget when we end this year.

Last month, the U.S. manufacturing activity plunged to the lowest level in more than a decade, and it is clear that we are hurting across the board. No sector of our economy is immune from this economic slowdown, and my district has been hit particularly hard. Not only does it have a lot of high tech in it, it has a lot of farming interests; as a result of that, a lot of manufacturing and textiles and furniture.

We have just seen people lose their jobs by the hundreds and by the thousands. Today I call on this Congress to come together and pass an economic stimulus package that gets people back to work.

□ 2115

It will get our economy rolling again, and it will impact people, the people that work, the people that are unemployed, the people that need to buy groceries, people that need to buy clothes for their children and medicine. And a package that passes should strengthen the economy by investing in America's workers and small businesses and not by passing massive tax breaks for wealthy corporations. They may need a tax break, but they do not

need to be first in line. They have already been first in line once. They do not need to line up again.

I have got people in my district who have been unemployed and their benefits are running out and it is now moving toward Christmas-time. The thing we ought to be doing is what we did in our Democratic package by extending unemployment benefits for those who do not have a job. Help them across these tough times so they can find a job.

Let me make sure that all my colleagues understand, and I think they agree with me, or most of them do at this point, that we support the President 100 percent in his battle against terrorism. Because it is all of our battle. It is a battle that we have to win. And he needs our support, and he has it. And I think all Americans, Democrats, Republicans, Independents, Liberals and Conservatives, are together on this behind our Commander-in-Chief on this effort against terrorism.

But on the economy, that is a different matter. Because I believe the House Republican leadership was absolutely wrong to ram through this House a special interest tax break and calling it a stimulus package.

It really was not a stimulus package. It did not help the people that need help. That is how you stimulate the economy. You help people that will spend money.

It is amazing to me in January and February and every time since then we have said to the American consumer, get out and spend money. Buy things at Christmas.

It is kind of hard to buy things if you do not have any money, and you cannot borrow it if you do not have a job. That is basic economics.

The American people do not need assurances that these tax cuts will get the economy back on its feet. What they really need is a job.

I have got people in my district who want to work. They just want a place to go to work. They want to provide for their families and keep their homes in order, pay their bills. They do not need pats on the back and rhetoric about the strength and spirit of the American worker. They need a job. That is all they want, a place to work.

I say to my colleagues, praise does not pay the bills, and you cannot cash encouragement. We need a package that will produce real results for those affected by this economic downturn. That is how we are going to shorten the cycle and get this economy going again. Congress must take effective action of passing legislation that will help our economy grow and create jobs. You do that by helping the people who work.

We can start by funding some common-sense ideas. They are very simple, and there have been a number of editorials in some of the major papers in the country. We have got ready to go construction projects. We are going to spend the money over the next several

years. Why not speed them up and put thousands of people to work? We could build airports and do airport security, things we need to do for terrorism, put the security in place faster, put people to work.

There is a lot of infrastructure that needs to be put in place. We have got thousands of children across this country, thousands in my home State. We could be spending some of the money on school construction. That would put a lot of people to work and improve the quality of education, and it would say to our communities what is most important to them is that we are planning for the future and not looking to the past.

Because we have a lot of communities, my community, the gentleman's, everybody in this body that is seeing any kind of growth that is facing this job problem, and I certainly have fought for school construction. I know my colleague, the gentleman from New Jersey (Mr. PALLONE), has. He has talked about it many times.

I remember when I was State superintendent, I fought the issue, and I am still doing it. I have seen more school principals talk to me as I have been in schools, and I go about every week. They tell me how vulnerable they feel they are on security with children outside in trailers separated from the main building. When it rains, they get wet. When it is cold, they have to put on a jacket to go inside to the bathroom, the library, et cetera. We could do something about it. Why not do something like that?

In my State alone there are over 5,600 trailers in use. That is an increase of 16.4 percent in just the last 5 years. Now, granted we are a fast-growing State, as many others are, but we also have some very poor States.

A full 10 percent of the students in North Carolina go to school in a trailer. I would not make that point if we were not doing our part. But we have counties that pass bond issues, large bond issues. I know of one county that just passed one by 70-some percent, the second bond issue they have passed in less than 5 years, and they still cannot catch up because they are growing so fast.

Rather than give huge tax breaks to huge corporations, I think the stimulus package ought to focus on putting people back to work, getting children out of trailers and back in classrooms and in secure areas where they ought to be.

We have a bipartisan school construction bill in this House committee with more than enough Members on it to pass it. Why cannot we get it to the floor? The leadership knows it will pass. They just will not let it come to the floor to pass. The American people need to know that the majority of the Members of this United States House will pass it, if we can get the leadership to put it on the calendar. They will not put it on the calendar.

That is the kind of economic stimulus we need. It not only provides jobs

but it will provide opportunities in the future, and it will make a difference in America by funding these kinds of worthy projects like these and others.

Like we say in North Carolina, we can kill two birds with one stone. We can improve education, security at airports, bridges, roads, a multitude of other things that are out there that we are going to do, but we have to jumpstart the economy and put people back to work. These are high-paying, high-quality jobs that will return tax dollars not only to the Federal Treasury but to local and State treasuries and improve the quality of life across this country.

I also believe that an economic stimulus package should address the needs, as I said earlier, of these people who have lost their jobs through nothing they have done wrong. They have gone to work every day. They have put in a good day's work. They come home. They contribute in the community. They are members of booster clubs, PTAs, and they go to their churches and fire departments and rescue squads. And not only have they lost their jobs, but, as a result of it, they have lost their health insurance and the children have lost health insurance.

Why is that so important? Because when that happens they do not get the physicals. They do not get the health insurance. Some of them may not even be able to get the emergency care they need. And if they do get it they go to the emergency room, and all of us pay if they cannot afford to pay.

A great number of people who have lost their insurance, they lost it when they were laid off. In some cases, it was extended for a period of time. Others lost it as soon as they were laid off.

The recovery bill that the House, the Democratic piece of it that we put forward that obviously did not pass because we did not have the votes, would cover health insurance costs for a portion of those workers and pay a piece of it when they went back to work. The one that did pass, that the majority passed through, would cover very few. It just will not get the job done.

I think one of the scariest things that can happen to a young family is to have children or have a health care problem and know that if they get sick you have no assurance of any kind of quality health care and, in some cases, no health care because they do not have the insurance in case of an emergency.

And I can state, having been superintendent of schools for the State of North Carolina, one can tell very quickly those children who come from homes who could not have health care benefits because they will not have the kind of quality care they need, and we see the results in the classroom. Many of these families, as I said, have small children. They certainly need that help.

It is clear to me that we can and should and must do that, and I trust

that the other body will send us a stimulus package with some of those pieces in it that is fair to all of those people in this country.

I also believe we should increase the level, as I said earlier, of unemployment benefits for those who have lost their jobs, because it has not been increased since the 1980s. And certainly the cost of living has gone up, the cost of buying food. Probably the only thing we have seen go down lately is gasoline prices, and they will probably go back up.

But the truth is, if one is unemployed and does not have the resources, one really does need something of a crutch to get to the next job until the economy turns around, and this will help.

Since the last recession, which is now almost a decade ago at the beginning of the 1990s, unemployment benefits have not kept up with the cost of living. And there are a lot of folks who are recognizing that now, who find themselves for the first time, in some cases, in their career, unemployed, without the resources to meet basic needs. As a result, workers are hit awful hard when they lose their jobs, especially those who have not been there before and may not have saved the money to meet even the basic needs.

People simply cannot survive off unemployment benefits these days. Unemployment insurance never was meant to take care of all of the needs. It was meant to take care of basics while a person was looking and getting back to work when jobs are available. And I believe that is an essential component of any economic package. It ought to have it in there. It ought to be a part of it, and we ought to get that done.

We are now almost to Christmas. We have been here all year, all year, and it still is not done. We have a long agenda of things yet to be done.

And there is another piece that we ought to deal with, and I trust any kind of final package that passes will be in it, is if we are going to have tax rebates, we ought to extend it to those who did not get it last time. And I am convinced those folks who, incidentally, who paid taxes, they pay them in in FICA and other taxes, they just did not pay enough in to meet the threshold to get the 300 or 600. But they will spend every penny of that money on those kind of necessary benefits, not a new car, but things like food and clothing and the utility bills, things they really need money for.

That is how you stimulate the economy. When you get money, you spend it. You do not stash it away. They will put it back in those luxury items that all of us think about, as I said, in food, clothing, medicine, heat and shelter. That is the kind of stimulus package we need that will make a difference.

A number of experts such as former Treasury Secretary Robert Rubin and even Chairman Greenspan have said, any kind of package we pass ought to be for the short term. It ought not be

long term. It ought to be no more than 18 months at the most, 2 years at the outside. Simply because if you add it in longer than that, what do you do? You build inflation into the system. The last thing we need at a time when we really are trying to jump-start an economy, we are not trying to run it over the cliff. That is the difference. You just want to give it a jump-start.

I think it is very simple that Congress has the power and in my view has a major obligation. This is something we could and should do to take these actions on behalf of the American people. Because it is not just the people who are unemployed that are hurting. They are just hurting a whole lot more than others. There are a lot of small business people who are hurting, also. And, yes, large corporations, many of them are, too, because they are not moving goods at the level they were.

You do it when you have the unemployment level for the majority of people working, and we need to help get it back together. I think the House Republican leadership has a real choice, and I trust they will take the right road. They can lead, follow or get out of the way and let somebody else provide the leadership to get the job done.

It is so important now at a time when I think the economy is where it can move forward and move very quickly if we did the right things. But if we do the wrong things, if we do the wrong things, and I pray we do not, we could find ourselves facing the same kind of problems that we faced in the early 1990s, 1991, 1992, with huge deficits as far as the eye could see, and it took almost 10 years to turn it into a surplus.

There are those who are now saying we could very well be facing deficits all over again, and I think the leadership in this body needs to make sure we pass us a stimulus package that is responsible, that is focused, that is short term, that gets people back to work but does not break the bank. It has to be paid for. It has to be paid for, and I think it should. And it is important that we help those who did not get help last time. This should be a stimulus package, not another tax package.

□ 2130

Mr. PALLONE. First of all, I want to thank the gentleman for what he said. I think he laid out very well why we need a stimulus package, because of the recession, that is now actually ongoing for over 6 months based on these experts and what they said this past Monday, and also pointing out why the Democratic alternative, or something like it, is the way to go.

A couple of things the gentleman mentioned I just want to dwell on a little bit. The biggest problem with the Republican proposal is it is not really a stimulus package at all, but just a continuation of the tax breaks that were not included in the Bush tax proposal that was passed earlier this year. And as the gentleman says, most of what is

in the Republican bill are permanent tax breaks, so it is not only not designed as a temporary measure, but it is something that will have a long-term impact on the budget and, as a result, more likely to result in significant deficits down the road.

That is not what we should be doing now. First of all, most of the money goes to big corporations who do not necessarily have to bring it back into the economy. But even more so it is permanent tax breaks that could lead again to the situation we faced 10 years ago.

A lot of people do not understand this. Even now I find a lot of my constituents saying, when we talk about the deficits, well, why is that meaningful? But I really believe the deficit spending was a major problem in the economic decline that we had before this last 10 years. And the fact that President Clinton in particular was so successful in turning that around and making a surplus was a major reason why we had the sustained economic recovery for so long.

Mr. ETHERIDGE. If the gentleman will yield to one other point, and he brought it to my attention when making his last point. The Federal Government, or any government entity for that matter, but by and large the Federal Government because they can go into the equity market and get any amount of money they need to get by just driving the rates up, and of course that happened and was happening in the 1980s and into the early 1990s. And of course what that did is crowd out private opportunities to get in unless they are willing to pay higher and higher interest rates. And we have seen lower interest rates in the 1990s with tremendous economic growth that literally most of the economists did not understand originally because of what was happening.

But one other point on the proposed tax bill, and I really call it a tax bill because of what it was on the alternative minimum tax and others that went all the way back to 1985. My State of North Carolina, and 24 other States, find themselves this year in tough economic times because of the downturn. They are facing tough budget situations.

Mr. PALLONE. New Jersey as well.

Mr. ETHERIDGE. New Jersey as well, and most States. But in that package, quietly hidden, when you repeal some of the pieces they wanted to repeal in it, my State gets hit with something like \$170 million or \$180 million the first year, almost \$200 million dollars, when the General Assembly has been in the longest session in history struggling with one of the biggest deficits, almost a billion dollars in the State budget, struggling with how to work that balance of making major cuts without cutting all the services, and ultimately, in the end, struggling with how they would balance cuts with additional revenues to get there. And that kind of hit would tip them right

back over the edge again and we would see major cuts in education and other vital services.

I do not think anyone intentionally did it; I believe they just do not understand. We have to do a better job so they will understand it and will not make those kinds of mistakes. Because not only will we be in trouble at the Federal level, but I think we stand on the verge of pushing a lot of States into deep trouble. I trust my colleagues in the majority will understand that and back away from that kind of mistake because I think we are getting ready to run right over the cliff.

Mr. PALLONE. I agree with my colleague. What we have discussed tonight is not that easily explained. We just elected a new governor, a Democrat in New Jersey, we are very proud of Jim McGreevey, who will be sworn in in January. But the first day after he was elected, and he has not even taken office, he realized it was very possible the State may be in deficit several billion dollars. And if as a result of that there have to be cutbacks in services, in jobs, that is only going to aggravate the economic situation in the State.

It is difficult. I explain to my constituents why during the 1990s President Clinton was so successful in turning the economy around and having a surplus, that the long-term interest rates went down and that that was a big factor. Then people will say, yes, but right now the Federal Reserve has stepped in and we have short-term interest rates, and they keep getting lower and lower. But the long-term interest rates continue to rise.

So as my colleague says, if we are looking to these companies, large or small, to make investments in infrastructure and create new jobs, they cannot get the capital to do it with those kind of long-term interest rates. It is not easy to explain to people, but it is there. That is the reality.

Mr. ETHERIDGE. The gentleman's point is well taken, because the equity markets are based on the stock market. They understand these things. There is a reason why the long-term rates, and I really believe this, and the people who follow it will say this, there is a reason why they are not coming down. They see what is happening right here in Washington, and if the out years of the revenue of the Federal Government, the taxes, start to drop off, and expenditures of the dollars we have going, at some point we will cross that and the Federal Government will be back to borrowing money and it will drive the rates back up.

That is why it is so important that we do smart things. Smart things. We can do a combination of probably all of it. I always tell folks, and I know some of my colleagues chuckle when they hear me say this, but I grew up on a farm in eastern North Carolina, and I always remember something people used to say, and that is "Pigs get fed, hogs get slaughtered." And when you decide to get too much, you get in trouble.

If we have a mix of helping, as we talked about earlier, helping those who have lost their jobs and giving some money for unemployment benefits and health benefits, and then we help business a little bit, then all of a sudden the whole economy comes up together. But if we weight it too much to one piece, then it tilts over. And we have been through that in the past, as my colleague pointed out earlier. We recognized in the early 1990s that it had to change and we changed that. And then what did we see? We saw people moving into jobs and working that had not worked in a long time. We had the lowest unemployment we have had in as long as I can remember in this country. Virtually full employment.

Mr. PALLONE. That is true. The other thing the gentleman mentioned that I wanted to just mention briefly is that it is a little deceptive out there. I know the day after Thanksgiving is the biggest shopping day of the year. And my district I would say, certainly if you look at it nationwide, is a fairly affluent area; and we saw all the people running to the malls, the lines at the malls. And so people will say to me, gee, everybody is going shopping; things must be good. But as my colleague says, it is only true for the people that have the money.

I found when I went home for the longer period of time that we had last week that there are people who have lost their jobs, there are people that are suffering, and those lines getting into the mall do not indicate what is really going on out there. I hope that retail sales go up, and that that is another reason for the economy to come back. I certainly encourage it. But there are a lot of people suffering.

The one person I mentioned earlier that we had at this press conference with the labor leaders in the State that most stuck in my mind was this limousine driver. As my colleague knows, I am only about 50 miles from New York City, and we had a lot of people that died at the World Trade Center on September 11. And as a result of what happened in terms of transportation as well as the economy, there just are not as many people using limousines, let us face it. So this guy is still working, he is still driving his limousine and working hard, and he explained where he is getting his riders from and the whole thing. But at the end of the week he was only paying his expenses, which were huge between the limousine and the gas and everything. And so he continues to work, but he does not have anything to show for it at the end of the day.

Now, how long can somebody continue to do that before they have to pack it in? And I only mention it because, obviously, as the gentleman says, people want to work. They are not going to give up. He is obviously dipping into his savings, because September 11 is how many months? It is about 2 months now almost. At some point he will not be able to continue

because he is not making enough money to continue to sustain himself.

Mr. ETHERIDGE. He is a lot like a lot of our farmers. They are staying in business, but they are living off their equity. He has his limousine service and his equipment is depreciating. But if he does not make a profit, pretty soon he will not be able to pay his employees and his equipment will wear out.

We had a meeting in my district, and my colleague, the gentleman from North Carolina (Mr. PRICE), joined me several weeks ago. I remember distinctly we had two unemployed workers with us, really nice ladies. One of them worked for Midway Airlines. As a result of September 11, they had to shut down. We hope they will get back up, but she lost her job immediately. She had two small children. And she says, I want to go to work. She said, I need to work; I need the insurance. She had worked for something like 6 or 8 years for the company, and all she was asking was an opportunity to work. She was not asking for anything else. She said, I cannot make it with my two children; I cannot buy insurance. That is why it is so important to have it funded at a level when I am unemployed so at least I can cover my children.

Another lady had worked for a textile firm 33 years, and she lost her job. She said you cannot imagine how you feel when you back up to the door and load up everything you have worked with for over 30 years in the back of that truck and carry it home with you and you do not have a job. She was not old enough, obviously, to retire on Social Security. Seems, as I remember, she was in her late 50s. Had worked all her life.

Just delightful people who want to work. And I think that is an obligation that we have, to help build that bridge for those people who really do want to get back in the workforce, who want to participate in this economy, want to help America grow. And that is how we build the wall against terrorism at home, by helping strengthen our economy and giving people a chance to participate in one of the great economic successes in the world.

It really is the American worker, it is the person who is at the door of the business, it is the person who helps clean the offices, it is the person who works on the production line, who works in the service station, any number of places, wherever they may be. They are really the heart and soul of the economy in this country. And we in this body, in my opinion, not only have a responsibility but we have a moral obligation to help them out.

Mr. PALLONE. I do not think we are going to use our whole hour, but I did want to mention where we sort of are, because the gentleman and I both mentioned the House bill, the Republican bill, which we do not like, and the Democratic alternative.

There does seem to be some hope in the sense that, and I am looking at this

news summary from yesterday, or I guess it is from yesterday, and it says that in light of Monday's declaration that the economy has been in recession since March, the President urged lawmakers to finish work on an economic stimulus package by Christmas. So he is out there saying that we should try to get together and pass a package. And then Senator DASCHLE, from the other body, called on our Republican colleagues to join us and begin discussions on a bipartisan plan for economic recovery.

My understanding is that what happened in the other body, in the Senate, and I use that term "other body" because that is what we have to use, that there really are two conflicting bills and neither one has the 60 votes I guess to achieve cloture.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. JEFF MILLER of Florida). The gentleman is reminded not to quote individual Senators.

Mr. PALLONE. They do not have the 60 votes, I guess, to achieve cloture; but they have said they are going to try to sit down and work something out. Again, we just need to remind everyone that there is only maybe 3 weeks or so before the Christmas break; and if we do not get together on some kind of bipartisan proposal, we are not going to get anything passed.

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I say that because I know there has to be some give and take. But, on the other hand, I think unless something like the Democratic proposal is the basis for a compromise, we are not going to see anything passed because this tax giveaway to the corporate interests that is in the House Republican bill, I do not see how that can be a basis for any bill that passes the two bodies and goes to the President.

I do not like to read editorials, but I want to quote a few sections of an excellent editorial in yesterday's New York Times because I think it explains what needs to be done here in the next few weeks. This was in yesterday's New York Times.

"Congressional Countdown. Congress has only a few weeks left before adjourning for the year. Yet there is still no legislative agreement on measures to boost the economy and improve protections against terrorist attacks. President Bush needs to break the impasse on both issues, or legislators will go home covered with failure.

"Ideally, Congress should quickly pass a balanced fiscal stimulus bill aiding those who need help most without widening deficits in the years ahead."

They say, "Right now there are two competing stimulus bills, and the one supported by most senators is by far the better. It would channel tax breaks and spending to those most hurt by the economic downturn, whereas the bill pushed by House Republicans would cut taxes disproportionately for the rich and for big corporations."

I yield to the gentleman because it sounds like everything we have been saying tonight.

Mr. ETHERIDGE. Mr. Speaker, I think it would be inappropriate not to make this point tonight. There is a finite amount of money. The gentleman has said it, and the editorial has said it, and I mentioned it earlier. That is why it has to be paid for. If it is not paid for, and people should not misunderstand this, that money is coming out of the Social Security Trust Fund if it is not paid. The people who will be paying for that disproportionately are the lowest wage earners in the country because they are the people that pay into that system and they are depending on that. All of us are depending on it for our Social Security money down the road. If we take it out now, we know we are going to have needs down the road. We know we are going to have problems, and that cannot happen.

It is one thing to have one group over here with a panel talking about saving it and putting the money in the stock market and the other to spend it in this House. That would be horrible. That would be horrible to the American people. We should not do it. Whatever we do, we should pay for it.

Mr. PALLONE. Mr. Speaker, basically this editorial juxtaposes what can be done to achieve a compromise. It says, "Congress could reach a financially responsible compromise if Republicans dropped their worst ideas, a speed-up of the tax cuts enacted earlier this year for the wealthiest Americans and a separate measure to make it easier for big corporations to pay no taxes at all. The final bill could then focus on tax breaks, tax refunds and health benefits for the poor and working poor, while helping small- and medium-sized businesses with adjustments in write-offs for depreciation and expenses."

The Democrats are willing to provide tax breaks and help business, particularly small- and medium-sized businesses. But the bottom line is that this stimulus package at the same time does have to address the concerns of displaced workers, the health benefits and the unemployment benefits that the gentleman has mentioned. This stalemate does not have to continue, but there is not a lot of time. I think it is important, as we did tonight, to continue to speak out over the next few days and to point out that this is a major issue.

Mr. Speaker, I was happy before we left that we got the airline security bill passed, and I thought that was the number one priority. But in light of the recession and what we are seeing out there with the economy, this is now the most important priority that we need to address in the next few weeks.

With that, I thank my colleague, the gentleman from North Carolina (Mr. ETHERIDGE).

#### U.S. IMMIGRATION POLICY

The SPEAKER pro tempore (Mr. JEFF MILLER of Florida). Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. TANCREDI) is recognized for 60 minutes.

Mr. TANCREDI. Mr. Speaker, tonight I want to address several issues, one dealing specifically with a lot of the discussion that has preceded my remarks this evening. It is always interesting and elucidating to listen to my colleagues discuss a variety of issues, in this case the stimulus package and the difference between the Republican position and the Democratic position in this House.

I think it is appropriate. I am very pleased to hear that kind of discussion because it does help clarify to a large extent the issues that separate the two parties and the two philosophies.

On the one hand, as Members have heard, the Democratic Party suggests that a stimulus package, something to stimulate the economy, revolves around extending unemployment benefits. On the other hand, the Republican stimulus package with which they disagree revolves around primarily giving tax breaks to the rich, specifically to large corporations.

One deals with organizations that actually create jobs in America and create wealth; and the other deals with a social service plan, a welfare plan.

Now, I am not here and I do not intend to challenge the idea of extending unemployment benefits. It may be a fine idea under certain circumstances. I could certainly be inclined to vote for it. It has nothing to do with an economic stimulus package. Giving people longer unemployment benefits has nothing to do with creating jobs and changing the direction of the economy and getting us out of the recession, I believe. But it is nonetheless a legitimate point of view to be discussed and debated in the House, both sides offering their observations as to what might help the economy and what might help get American workers back to work.

But I am intrigued by the fact, Mr. Speaker, in all of the discussions and in all of the debates I have heard and in the monologues that have been offered on the floor about an economic stimulus package, not one word from either side has been mentioned about what I consider to be a very significant and a very logical approach to at least one part of the economic stimulus package. It should be in there and it is not, and that to which I am referring, of course, is the number of aliens in the country, people who are not citizens of the United States who are taking jobs, who are here, some of them who are here illegally in the workforce and others who are here quite legally under H-1B visa status.

Let me concentrate on the latter for a moment and explain what we are talking about with H-1B visa status. It is a special category of visa. It is designed to bring people into the country